

Vote 7: Superannuation and Retired Allowances

Introduction

As Accounting Officer for Vote 7, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2010 for pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Finance, fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Board; payments in respect of Pensions Benefit System, miscellaneous payments, etc.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2010, including the amount that could be used as appropriations-in-aid of expenditure for the year.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the Account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account.

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Finance.

CIARAN CONNOLLY
Accounting Officer
Superannuation and Retired Allowances
24 February 2011

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 7: Superannuation and Retired Allowances for 2010 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Finance in respect of the Vote for Superannuation and Retired Allowances. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2010.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

JOHN BUCKLEY
Comptroller and Auditor General
17 June 2011

Vote 7 Superannuation and Retired Allowances Appropriation Account 2010

Service	2010 Estimate provision	2010 Outturn	2009 Outturn
	€000	€000	€000
Administration			
A. Superannuation allowances, compensation allowances, pensions and certain children's allowances	297,900	281,135	238,915
B. Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	44,000	42,438	42,231
C. Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	1,600	1,253	1,397
D. Additional allowances and gratuities in respect of established officers and payments in respect of transferred service	108,850	91,304	103,895
E. Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	24,000	20,946	22,121
F. Injury grants and medical fees	378	420	300
G. Fees to Pensions Board and pensions benefit system	120	68	73
H. Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997	5	—	—
I. Pension liabilities of former public service bodies payable under statute	150	71	—
Gross Expenditure	477,003	437,635	408,932
Deduct:			
J. Appropriations-in-aid	80,250	83,155	89,926
Net Expenditure	396,753	354,480	319,006
Surplus to be surrendered		€42,272,907	€14,728,556

Notes to the Appropriation Account

1 Operating Cost Statement 2010

This Note is not applicable as the administration costs of this Vote are borne on Vote 6 - Office for the Minister for Finance.

2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
Current Assets			
Bank and cash	2.1	12,231	2,328
Other debit balances	2.2	34	52
Total Current Assets		12,265	2,380
Less Current Liabilities			
Credit balances	2.3	4,746	4,386
Net Liability to/(from) the Exchequer	2.4	7,519	(2,006)
Total Current Liabilities		12,265	2,380
Net Current Assets		—	—
Net Assets		—	—

2.1 Bank and Cash

at 31 December	2010 €000	2009 €000
PMG balances and cash	13,707	4,022
Orders outstanding	(1,476)	(1,694)
	12,231	2,328

2.2 Other Debit Balances

at 31 December	2010 €000	2009 €000
Recoupable pensions owed by other departments	34	51
Other	—	1
	34	52

2.3 Credit Balances	2010	2009
at 31 December	€000	€000
Amounts due to the State		
Income Tax	2,430	2,310
Pay Related Social Insurance	396	334
Income Levy	326	283
	<u>3,152</u>	<u>2,927</u>
Voluntary pension deductions held in suspense	1,594	1,459
	<u>4,746</u>	<u>4,386</u>
2.4 Net Liability to/(from) the Exchequer	2010	2009
at 31 December	€000	€000
Surplus to be surrendered	42,272	14,729
Exchequer grant undrawn	(34,753)	(16,735)
Net liability to/(from) the Exchequer	<u>7,519</u>	<u>(2,006)</u>
Represented by:		
Debtors		
Bank and cash	12,231	2,328
Debit balances: suspense	34	52
	<u>12,265</u>	<u>2,380</u>
Creditors		
Due to the State	(3,152)	(2,927)
Credit balances: suspense	(1,594)	(1,459)
	<u>(4,746)</u>	<u>(4,386)</u>
	<u>7,519</u>	<u>(2,006)</u>

3 Variations in Expenditure

An explanation is provided below in the case of an expenditure subhead where the outturn varied from the amount provided by more than €100,000, and by more than 5%.

Sub-head	Less/(more) than provided €000	Explanation
A	16,765	The variation was due to an overestimation of the number of officers who would retire in the course of the year.
C	347	The variation was due to an overestimation of the numbers applying for ex-gratia payments in the course of the year.
D	17,546	The variation was due to an overestimation of the number of officers who would retire in the course of the year.
E	3,054	The variation was due to an overestimation of the number of unestablished officers who would retire in the course of the year.

4 Receipts

Appropriations-in-aid	2010	2010	2009
	Estimated €	Realised €	Realised €
1 Receipt from the Social Insurance Fund under Section 5(3) of the Social Welfare Consolidation Act 2005, in respect of the cost of providing superannuation benefits for staff engaged in administering Social Insurance Fund Schemes	28,000,000	28,000,000	28,000,000
2 Receipts in respect of pension liability of staff on loan, etc.	1,103,000	2,496,251	1,672,357
3 Contributions to Spouses' and Children's Pension Scheme for Civil Servants and others	23,500,000	20,817,854	24,464,439
4 Receipts in respect of the Contributory Scheme introduced for established Civil Servants who were appointed on and after 6 April 1995 (Circular 6/95)	23,237,000	23,351,802	26,057,370
5 Repayment of Gratuities, etc.	1,103,000	1,135,365	1,154,232
6 Purchase of notional service	3,197,000	6,972,010	7,966,859
7 Miscellaneous	110,000	381,814	611,171
	<u>80,250,000</u>	<u>83,155,096</u>	<u>89,926,428</u>

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
2	(1,393)	The number of staff on loan can vary from year to year making estimation difficult.
3	2,682	The variation was due to an overestimation of the number of contributors and the level of contributions.
6	(3,775)	It is difficult to accurately predict the number of officers who will avail of the purchase scheme each year.
7	(272)	It is difficult to accurately predict the level of miscellaneous receipts.

5 Employee Numbers and Pay**5.1 Staff**

All staff employed in the administration and payment of superannuation charged to this Vote are paid from Vote 6 - Office of the Minister for Finance.

5.2 Pensioners

A breakdown of the total numbers of pensioners in payment by subhead at year end is set out below

		Number of Pensioners at year end	
		2010	2009
A	Superannuation Allowances, compensation allowances, pensions and certain children's allowances	10,288	9,423
B	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	2,739	2,716
C	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	85	88
E	Pensions, allowances and gratuities in respect of unestablished officers and their spouses and children and other pensions and payments in respect of transferred service	5,002	4,778
I	Pension liabilities of former public service bodies payable under statute	8	—
	Total	18,122	17,005

6 Miscellaneous Items

6.1 Abatement of Pensions

The Pensions (Abatement) Act, 1965 provides that the pensions of civil servants who are retained or re-employed after normal retirement age are abated as necessary to ensure that their total pay in the period of retention or re-employment does not exceed the remuneration which they would have received if they had remained in the posts they had held on the last day of their reckonable service. The Act also provides that such abatements may be waived at the discretion of the Minister for Finance.

For administrative convenience, the normal practice in the case of short term arrangements, is that, rather than abate the pension, the level of fee is set at a level to ensure that the combination of the fee and pension payment does not exceed the salary the officer would have received if he/she were still in employment. All fees paid to retired civil servants were consistent with this principle.

6.2 Write-offs

A total of €146,785 in respect of irrecoverable overpayments of pensions was written off.

